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F I S C A L I M P A C T R E P O R T

SPONSOR: HAFC DATE TYPED: 3/7/03 HB CS/597/aHAFC

SHORT TITLE: Immunizations for NM Children SB

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	**FY04**	**FY03**	**FY04**		
			Significant See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
Department of Health (DOH)
Health Policy Commission (HPC)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriation & Finance Committee amendment eliminates the language pertaining to the appropriation. (Reference is made to fiscal implications below). The agency will need to absorb significant costs.

Synopsis of Original Bill

House Appropriation & Finance Committee Substitute for HB 597 appropriates $165,000 from the General Fund to the Department of Health for expenditure in fiscal year 2004 for the purpose of providing immunizations to all children who attend any public, private, home or parochial school in New Mexico. The Committee Substitute amends the “24.5.1 - Immunization Regulations” to include, in addition to those vaccine-preventable diseases already required by statute, a school entry requirement for Hepatitis A vaccination.

Significant Issues

Since the Department of Health started its targeted hepatitis A campaign in 1996-1997, hepatitis

A rates have decreased dramatically. According to DOH, Hepatitis A tends to occur in cycles and rates were dropping before the targeted vaccination strategy began; the rates continue to remain low and no community outbreaks have taken place. For example, historically in the early and mid-1990s, the Hepatitis A rates in New Mexico were much higher than the national average (e.g. 71.3 cases/100,000 population in 1990 and 66.5/100,000 in 1994 compared to national rates of 12.5 and 10.2/100,000 respectively). To address this concern the Department of Health began a targeted immunization campaign in high-risk areas in 1996-1997. Since the initiation of that program, Hepatitis A rates have decreased dramatically in New Mexico to 1.7/100,000 in 2002, well below the national average. Hepatitis A vaccine is available on a voluntary basis to all providers free of charge and the data is monitored so that if rates increase, the regulations allow for the mandatory requirement to be reinstated on an area specific basis. The Substitute bill proposes to make Hepatitis A immunization mandatory for school entrance. This is not indicated, DOH notes, from a public health perspective, would be wasteful of scarce health manpower resources, and would be of concern to many parents who already feel that their children must get too many shots (the number of required immunizations has tripled in the last 20 years).

A similar concern is raised by DOH in regards to haemophilus influenza type B (HIB) vaccine. This is a disease of early childhood and therefore it is recommended that the 3 primary shot and 1 booster shot series be completed for all children prior to 15 months of age. According to CDC, New Mexico accomplishes that for about 90% of the children. However, for the other 10%, HB597 Substitute proposes that they must receive HIB vaccine as a requirement for school entrance. Since haemophilus influenza does not affect school age children, this would be inappropriate medically, would be unnecessarily costly, and would require providers such as school nurses, primary care physicians and others to waste precious time and energy giving unnecessary shots. In fact, according to CDC, HIB is not recommended for children greater than 59 months of age, unless they are high-risk persons with asplenia, HIV infection or other immunodeficiency.

The DOH indicates that since up-to-date immunization is a requirement for entrance into childcare centers, pre-schools, and all elementary schools (public, private and parochial), most children are age-appropriately immunized by about 5 years of age. Once children are in school, New Mexico's age-appropriate immunization rates exceed 95%, similar to the national average.

FISCAL IMPLICATIONS

The appropriation of $165.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 04 shall revert to the general fund.

DOH states that it would be unnecessarily costly to the state to require vaccines for school-aged children that are not medically necessary or recommended. Furthermore, DOH indicates, that there are adverse fiscal implications in regards to both purchase of vaccine and burdening limited health professional resources, including school nurses, to require mandatory school immunization requirements when they are not medically indicated. DOH estimates the cost, to bring all school children into compliance with the requirements of HB597 Substitute for hepatitis A only, to be approximately $7.9 million. Further, DOH estimates a yearly maintenance cost of approximately $1.1 million.

The Vaccine for Children VFC Program is funded through:

- CDC (about $15.7 million in direct vaccine assistance and $3.2 million in various staffing and program support),
- State General Fund (about $1.3 million, mostly for vaccine), and
- Reimbursement from major Health Plans for vaccine to private pay patients (about $1.0 million annually).

ADMINISTRATIVE IMPLICATIONS

DOH reports that the implementation of HB597cs would require additional DOH administrative efforts to ensure that parents, schools, and providers are aware of the newly legislated requirements that Hepatitis A and HIB vaccine are now conditions of school enrollment. It would require additional record keeping, monitoring, communications, and immunization activity at all levels to meet this proposed law. Further, DOH states, that it would negatively impact competing necessary school health requirements/activities/priorities, stressed providers, and already concerned families when two of the vaccines required by HB597cs are not recommended for school-aged children.

OTHER SUBSTANTIVE ISSUES

The bill amends the "24.5.1 - Immunization Regulations" to include, in addition to those vaccine-preventable diseases already required by statute, a school entry requirement for Hepatitis A vaccination. DOH does not recommend approval of this change for the following reasons.

- While Hepatitis A rates in New Mexico have been as high as 71.3 cases/100,000 population in 1990 and 66.5/100,000 in 1994 compared with the national rates of 12.5/100,000 and 10.2/100,000, respectively. The Office of Epidemiology and Infectious Disease Bureau of the New Mexico Department of Health began a targeted approach to vaccination for hepatitis A in 1996-1997. Efforts were focused on the highest risk areas. High-risk areas were identified by calculating three-year running averages by county. Counties with rates above 20 cases/100,000 population were targeted for concentrated efforts to vaccinate children through 18 years of age. Distribution of hepatitis A vaccine more than doubled at that time.

- The targeted strategy provides hepatitis A vaccine to Vaccines for Children (VFC) medical providers in parts of the state with historically high rates of disease. This program has over 500 providers throughout the state who may request hepatitis A vaccine for their patients through 18 years of age. The vaccine is provided at no charge by the Department of Health. The Department has recommended the use of hepatitis A vaccine as part of routine immunization of young children since 1996 regardless of ability to pay. Concurrently, the Indian Health Service increased its efforts to immunize two-year old children as part of routine immunization efforts. Medical providers (Indian Health Service, private medical providers, community health and primary care centers, and Department of Health providers) in high-risk areas have been very cooperative in using this new vaccine and deserve the credit for the success of this campaign.

- Current policy is as follows: a) investigate all cases of acute hepatitis A, which must be reported per statute, and prevent any potential ongoing transmission (including provision

of immune globulin and, in many cases, hepatitis A vaccine to close contacts within the appropriate time frame); b) provide vaccination as described above; c) mandate school entry requirements for any county with rates above 20/100,000 population. Current regulations " . . . promulgated by the Secretary of the Department of Health . . ." list required immunizations for school children and describe the targeted approach for hepatitis A [7.5.2.9 NMAC – N, 9-1-2000; A, 4-13-01]. No county has needed school entry requirements to date given the ongoing low rates of hepatitis A that New Mexico enjoys. In fact, New Mexico's rates have been lower than the national average for the past three years.

- In October 2000, the Department of Health (DOH) considered seven options ranging from targeting high-risk counties to establishing school requirements. After reviewing those options (note: summary is available on file), the DOH opted to amend the regulations to what they currently read today. The Office of Epidemiology and Infectious Disease Bureau believe that this strategy has been highly effective and should be continued. The addition of hepatitis A vaccination to school entry requirement would stress resources of schools, healthcare providers, and the Department of Health for what we believe would be no appreciable gain.

BD/ls:yr